

Report on Department of Veterans' Affairs (DVA) actions relevant to the findings of the Independent Study into the mental health impacts of compensation claim assessment processes

30 June 2020

This report provides an overview of DVA actions relevant to the areas of potential action identified by Professor Alex Collie's 2019 [Independent study into the mental health impacts of compensation claim assessment processes on veterans](#).

Background and context for the Independent Study

The Senate Foreign Affairs Defence and Trade References Committee tabled the report of its inquiry into suicide by veterans and ex-service personnel, [The Constant Battle: Suicide by Veterans](#), in August 2017.

Recommendation 2 of The Constant Battle report recommended that:

The Australian Government commission an independent study into the mental health impacts of compensation claim assessment processes on veterans engaging with the Department of Veterans' Affairs and the Commonwealth Superannuation Corporation. The results of this research should be utilised to improve compensation claim processes.

In the [Government response](#), tabled in October 2017, the Government agreed to this recommendation in full and outlined that the results of the study, once completed, together with the considerable amount of existing evidence gathered through the Veteran Centric Reform (VCR) program, would be used to inform further improvements to DVA.

In May 2018, DVA commissioned Phoenix Australia to conduct a [literature review and desktop study](#) on a range of public and DVA material regarding the mental health impacts of compensation claim assessment processes on claimants and their families (Phoenix Australia report). This review was completed in September 2018. The Phoenix Australia report was a preliminary exercise designed to draw together key studies and analysis from published research on the topic.

DVA then commissioned Professor Alex Collie of Monash University to review the Phoenix Australia research and further explore possible DVA actions that may mitigate potential mental health impacts of DVA's compensation claim processes.

Report of Professor Collie's Independent Study

The report of Professor Collie's independent study (Collie report) was completed on 5 March 2019, and publicly released on 10 April 2019. The Collie report concluded that there is strong evidence that compensation claims management processes affect the mental health of people making claims, and the particular factors identified in the academic literature as being potentially problematic for mental health were present in DVA's compensation processes.

The Collie report also found that the design and operation of DVA's compensation claims model is influenced by important contextual factors. Professor Collie identified five factors that significantly impact claims operations and performance, as well as potentially impacting the ability to reform:

- i. DVA's legislative framework;
- ii. Unique demographic profile of DVA's client population;
- iii. DVA's claims workforce challenges;
- iv. Availability and use of data about DVA clients; and
- v. Veteran advocacy and DVA client representation.

The Collie report noted that some of these factors had been subject to recent inquiries and reviews, including on compensation and rehabilitation for veterans and on advocacy, which informed his approach.

Although the Collie report did not contain formal recommendations, it identified eleven 'areas of potential action', where DVA could act to adopt emerging best practices in claims management, as well as address aspects of the key contextual factors also identified in the report:

1. Expand MyService
2. Client segmentation (*iv. Availability and use of data*)
3. Biopsychosocial screening (*ii. Client population*)
4. Expand 'combined benefits processing' (*iii. Claims workforce*)
5. Upgrade claims information systems (*iv. Availability and use of data*)
6. Client outcome measurement (*iv. Availability and use of data*)
7. Employer engagement
8. Reform independent medical assessment processes
9. Enhanced data analysis (*iv. Availability and use of data*)
10. Investing in claims teams (*iii. Claims workforce*)
11. Legislative Reform (*i. Legislative framework*)

Based on the evidence reviewed, Professor Collie considered that these areas of action could help mitigate potential negative impacts of claims processes on the mental health of veterans.

The recommended areas for action were broadly consistent with work already in progress under DVA's Transformation program to improve how DVA supports veterans and their families. This is the largest service transformation in DVA's history and aims to build a more proactive DVA to connect veterans and their families with the support and treatment they need sooner.

This report provides an overview of DVA actions which relate to the 'areas of potential action' identified by Professor Collie. It sets out the eleven areas of potential action, provides a brief outline of Professor Collie's findings, and provides information on relevant work being progressed by DVA in relation to these areas.

DVA actions relevant to the Collie Report

1. Expand MyService

The Collie report identified DVA's MyService portal as a positive development that appears to address, for those veterans using the service, multiple factors that are reported to influence a veteran's experience and mental health. Specifically, it was noted that MyService substantially reduces the time taken to process initial liability claims and captures more information to assist staff in conducting needs assessments. In addition, the Collie report considered that MyService appears to improve and simplify the initial engagement and communication between DVA and the veteran.

Professor Collie considered that there was potential to expand MyService to ensure that these benefits are experienced more broadly across the veteran community. For example, by adding the capability to lodge Permanent Impairment claims through the MyService portal, or by increasing the range of claims that can be automatically determined without the need for a claims assessor's interpretation.

DVA actions

MyService is central to DVA's Transformation program and is a simple digital solution that redesigns the claims process so that clients can obtain the assistance they require quickly and easily. MyService electronically verifies the identity of clients, replacing a lengthy paper-based process, by retrieving client information directly from the Department of Defence (Defence).

MyService is open to current and former Australian Defence Force (ADF) members and their families, and there were 158,000 users as at 31 May 2020.

MyService currently allows for the processing of a number of claims, including:

- Education Assistance;
- Initial Liability;
- Application for Increase in Disability Pension;
- Non Liability Health Care (NLHC) for mental health treatment;
- Qualifying Service (automatic for most users);
- Veteran Recognition Package; and
- Incapacity Payments.

The expansion of MyService to include additional claim types and information is a core component of the Veteran Centric Reform (VCR) Year 4 program. To date, more than 104,500 claims have been lodged through MyService and this will continue to grow as more services are introduced.

To manage client expectations, further expansion of MyService computer-based decisions is currently on hold due to a significant increase in claim volumes.

In December 2019, DVA concluded a *Lighthouse 2.0 Project* which re-examined the MRCA compensation process and proposed a series of ways to streamline access for current and future DVA clients. The findings are informing DVA's service delivery model and future vision for the Veteran Centric Reform program.

The *Australian Veterans' Recognition (Putting Veterans and their Families First) Act 2019* received Royal Assent on 30 October 2019 and commenced on 31 October 2019. The Act is part of the Veterans' Recognition package, designed to provide recognition to veterans and their families, which includes a Veteran Card, Lapel Pin and Oath. The Veteran and Reservist Lapel Pin allows veterans to be easily identifiable by the Australian community where they choose to wear it. The Act includes a commitment by the Government to the Commission deciding a claim under the *Military Rehabilitation and Compensation Act 2004* within 90 days from when the Commission receives the claim.

Since the launch of the Veteran Recognition Package there has been a significant increase in MyService registrations, with more than 59,000 clients registering to use MyService since November 2019.

2. Client segmentation

The Collie report noted that there are a number of ways in which delegates can 'escalate' a claim from routine management to one of a range of additional claims support teams. Such processes are supported by prompts at registration to consider a number of risk flags, and by training provided to delegates in complex case identification during an ongoing claim. With few exceptions, these additional support teams supplement — but do not replace — the role of the delegate, and thus the vast majority of claims are processed through the same pathway, plus or minus additional support.

The Collie report discussed client segmentation as an alternative model to this approach. Client segmentation would allow vulnerable veterans, or those with complex claims, to be streamed into tailored claims management pathways with bespoke services and supports. Veterans with less complex claims would be streamed into a 'light-touch' pathway. Case management teams would then be organised in such a way that matches claim complexity with staff expertise and experience.

The Collie report acknowledged that under the VCR program, DVA had already identified and described fifteen distinct client segments. Professor Collie considered that this work provides a knowledge foundation that may underpin a future segmentation model that can be integrated into day-to-day claims management.

DVA actions

As part of its Client Support Framework, DVA is implementing a client segmentation model to better identify the needs of veterans and their families, and to assist with case planning and outcome measurements.

In June 2020, the Client Support Framework moved to a client stream model to manage allocation of clients to the staff member with the most appropriate capabilities and skills to meet the presenting client need. It is intended that through the development of DVA's case management ICT system, DVA will augment this client streams approach by manually entering client segment information, based on assessment by the Triage Officer. The data regarding client streams, client segments and outcomes that are achieved for our clients through their participation in a program under the Client Support Framework, will inform service and program planning into the future.

3. *Biopsychosocial screening*

The Collie report identified that research evidence has consistently demonstrated that psycho-social factors are key predictors of outcomes in personal injury compensation schemes, including client health, claim cost and duration.

The DVA model provides for psycho-social screening to be conducted by social workers following claim registration, and these social workers may refer clients to external service providers. Most veterans are now referred for a social worker contact. The data examined by Professor Collie suggests a high volume, relatively low intensity service, with relatively few veterans (less than two percent in the number who were able to be contacted by the social worker), identified as requiring additional services provided by DVA.

The Collie report considered that the existing social worker model could be more targeted and flexible, and information gathered from the screening could be captured in a way that is more easily accessible and useful for claims assessors and others in the claim process. A number of actions were suggested, such as DVA considering alternative processes to screening, including training delegates to screen claims for psychosocial risk, and getting clients to complete screening questionnaires through technology providers.

DVA actions

DVA is implementing a standardised needs and risk assessment process through a new Case Management System. It identifies complexity and vulnerability factors, based on the social determinants of health as identified in the DVA Wellbeing Wheel domains, to ensure appropriate

escalation and risk management where required. The DVA Wellbeing Wheel domains align with the work of the Australian Institute of Health and Welfare, and comprises:

- Health
- Housing
- Income and Finance
- Education and Skills
- Employment
- Social Support and Connection
- Recognition and Respect

This standardised needs and risk assessment process will also guide the goals and tasks of the case management plan and will provide the outcome measures of activity against the seven wellbeing domains.

4. *Expand combined benefits processing*

The Collie report considered that DVA's trial of combined benefits processing (CBP) appeared to have delivered positive results in terms of veteran experience and addressed multiple factors that impact veteran experience and mental health, including by reducing claims 'hand-over' between delegates, enabling better development of better communication between the veteran and the DVA delegate, and potentially also reducing the time taken to process claims.

It was considered that the model could be expanded and DVA could combine it with a client segmentation approach, so as to apply CBP to more complex cases, such as those involving a mental health condition, with simpler cases dealt with through the standard claims management model. Professor Collie also considered that a formal evaluation of the CBP trial would be valuable to confirm impacts on claims processes, delegate workload, veteran experience and outcomes.

DVA actions

A CBP trial for claims made under the *Military Rehabilitation and Compensation Act 2004* (MRCA) was introduced into Brisbane and Perth compensation processing sites and recently expanded into Sydney and Melbourne. In 2019, these arrangements were expanded to claims under the *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988* (DRCA) in Brisbane, Perth and Melbourne sites.

The CBP model means that for the same client and same claimed conditions, a single claims manager is responsible for different steps in the claims process, including investigating and determining liability claims; completing the needs assessment; and determining any resulting permanent impairment claims for compensation. Under DVA's former operating model, those three tasks may have been processed by three different claims managers.

Observed benefits to date include efficiencies in end-to-end claims processing (e.g. from initiation of liability claim to completion of permanent impairment claim), and increased claimant satisfaction related to a consistent point of contact throughout the claims process.

Due to the substantial increase in MRCA and DRCA Initial Liability and Permanent Impairment claims, since December 2019, CBP resources have been diverted to address the growth in claims and to alleviate the delays being experienced in claims processing. The diversion of resources may need to

continue for the first quarter of the 2020/2021 financial year, after which time the transition to increased CBP arrangements can continue.

5. Upgrade claims information systems

The Collie report found that the DVA claims information management system, recently implemented at the time of the study, addressed the shortcomings of the multiple, previous systems, however it did not fully meet the needs of DVA claims assessors (delegates). For example, some of the claims workflow had to be managed outside of the claims information management system, increasing the risk of processing errors.

While Professor Collie considered that it is possible to make positive changes to DVA claims management without significant reforms to the DVA claims information management system, the report identified that an improved system will maximise the benefit of the other opportunities.

DVA actions

DVA has recently concluded the Improved Processing Systems (IPS) Program. This Program successfully implemented four main releases in November 2016, May 2017, November 2017 and May 2018, with four smaller releases in July 2017, August 2017, October 2017 and March 2018.

In December 2019, DVA implemented a Single View of Person (SVOP) capability to remove the need for staff to navigate multiple systems. Currently in trial, it has rolled out to 183 staff across DVA's Veteran Access Network (VAN) and the Complex Case Management Branch. Early results show that staff can resolve queries and support complex claims quickly and easily. In year 4 of DVA's VCR program, this capability will be extended and enhanced allowing better management of our clients.

Also in December 2019, design work commenced to use robotic process automation as a capability to better integrate DVA's claim system with MyService. Like SVOP, this capability will be trialled and delivered in year 4 of DVA's VCR program.

6. Client outcome measurement

The Collie report found that DVA appears to assess its own performance using a number of different measurements, including a mix of claims administration metrics and outputs, as well as veteran experience surveys.

Professor Collie considered that there is an opportunity to expand this to include outcome measures, such as client health and wellbeing, including mental health. This would be consistent with DVA's objectives to support the health and wellbeing of veterans and their families.

Implementation of such an approach would provide information which could support claims strategy and operational delivery, and provide an evidence base for monitoring and evaluation of new initiatives.

DVA actions

Since late 2018, DVA has increased its focus on the use of data to inform strategic policy and process design. An important element of this journey has involved supporting the Department's shift toward

measuring and monitoring wellbeing-related outcomes. To do so, DVA has been establishing its foundational analytic infrastructure, including the cleansing and cataloguing of existing data assets.

Advanced analytic capabilities have also been developed, such as the Priority Investment Approach — Veterans (PIA-V) model, which uses actuarial analysis combined with machine learning to project the spending and service utilisation trajectory of each DVA client out for the next 100 years. This modelling is enabling the Department to accurately forecast financial and service delivery implications of proposed policy or legislative decisions. DVA plans to expand PIA-V's frame of analysis from a specific financial focus to also include broader dimensions that represent wellbeing outcomes.

These outcomes have also been captured in DVA's Client Satisfaction Survey, which for the first time in 2019, was designed around these outcomes. DVA is also commencing the testing of established wellbeing assessment tools to inform the use of departmental resources.

7. Employer engagement

The Collie report found that there is evidence for a strong connection between employment and health, and that the return to work following injury/illness can support recovery. The report found that there is the opportunity for DVA to expand its role to further support veterans who are making compensation claims.

Potential actions included activities to engage the employers of working veterans to better support their health and recovery, or further support in job finding for the unemployed, for example through programs such as Individual Placement and Support (IPS).

DVA actions

There are a number of DVA programs currently in place which reflect DVA's commitment to employer engagement and supporting veterans seeking to return to work.

For example, DVA's Rehabilitation Program is whole-of-person focussed and aims to aid recovery and improve veteran wellbeing whilst they adapt to, and recover from, any injury or illness related to ADF service. This program recognises the health benefits of good work and includes medical management (assisting with understanding medical conditions), psycho-social needs (social connectedness), and vocational rehabilitation (return to work).

The Rehabilitation Program is directly linked to DVA's compensation claims process, whereby rehabilitation support is offered at the time liability is accepted. However, the program can be accessed at any time the veteran requires rehabilitation assistance, not just at the time the claim is determined. This assistance can be offered on multiple occasions.

DVA has been working closely with ADF Rehabilitation to streamline policies and procedures around the transfer of rehabilitation authority from Defence to DVA. This will support a seamless transition from Defence to DVA rehabilitation arrangements and enable discharging members to access services more quickly.

DVA has recently conducted a Request for Information process to obtain information relating to the DVA Future Rehabilitation Services Program (Program). The information gathered from this will assist DVA in the design and implementation of rehabilitation services into the future.

The Prime Minister's Veterans' Employment Program was established in 2016 to help raise awareness about the unique skills veterans bring to the workplace and to promote their employment. While the program provides a range of support and information to assist veterans, there is an increasing significant focus on employers.

The program is informed by an Industry Advisory Committee on Veterans' Employment, which provides advice to Government from an industry perspective on practical measure to support veteran employment. For example, the Committee closely informed the development of the Veterans Employment Commitment initiative, which allows businesses to publicly declare that they value and recognise the significant skills that veterans can bring to the workplace.

The Prime Minister's Veterans' Employment Program has also developed a number of supports for veterans, including a Veterans' Employment Toolkit. The Toolkit brings together information about services and support for job seeking veterans, including advice on how their skills can be transferred into the civilian workplace context.

The 2018-19 Budget provided \$4.3 million for the Support for Employment Program. Additional employment support services, such as resume writing and job seeking strategies, will commence in 2020 for veterans who identify the need for assistance to transition to the civilian workforce. This program will specifically target veterans who identify as being under-employed, unemployed or who are considering a change in career. Participants will be eligible if it is between 12 months and up to 5 years since they have separated from the ADF.

Further to this, the 2019-20 Budget provides \$16.2 million over four years for the Enhanced Employment Support for Veterans grants program. This measure provides three not-for-profit organisations (RSL National, Disaster Relief Australia — formerly known as Team Rubicon — and Soldier On) to deliver innovative programs to assist veterans to find meaningful employment. Soldier On and RSL National will be expanding existing veteran employment programs across broader geographical spread, while Disaster Relief Australia is seeking to establish Disaster Relief Teams in new locations.

8. Reform independent medical assessment processes

The evidence reviewed by Professor Collie suggested that independent medical assessment (IMA) processes can be stressful to clients, and thus contribute to poor mental health. The Collie report acknowledged that DVA recognised the opportunity to transform its IMA procurement processes, the way it engages with medico-legal service providers, and its internal use of medico-legal evidence. The report suggested that this may also provide an opportunity to introduce processes that reduce the amount of time spent waiting for the production of medical reports, or to address methods that minimise any potential adverse impact on the health of veterans, for example providing copies of the report to the client and their representative following an IMA.

DVA actions

DVA has improved medical evidence gathering by introducing a senior officer approval prior to an independent medical assessment (IMA). To minimise client stress DVA first ascertains if the medical evidence on file in the veteran's service medical records or submitted with the claim form is sufficient to determine the claim. If not, medical evidence is sought from Defence, the veteran, the veteran's treating GP or treating specialist. This has reduced the need to undertake IMAs but in

some circumstances, a DVA senior officer approves an approach to a medico-legal provider for an IMA. Examples of these circumstances are:

- the veteran does not have a treating doctor, or there is insufficient or conflicting information; or
- the treating doctor cannot provide the required evidence, or cannot provide it in a timely manner.

DVA processes have been updated to include better monitoring of medical report requested due dates, and to ensure copies of the report following an IMA are available to the client and their representative.

DVA has given an advance notice of an intention to approach the market for 'Medical Evidence Gathering Services' for veterans' IMAs. Arrangements stemming from these services are expected to be implemented in 2021 and will require providers to undertake awareness training related to the veteran experience.

9. Enhanced data analysis

The Collie report found that there is a clear opportunity to better use data gathered by DVA to support strategy and claims operations. For example, it considered that claims data could be used to evaluate the impact of policy settings or changes to claims operating models, or predictive analysis could be applied to identify factors associated with an onset of a mental health condition or a negative claims experience. The Collie report acknowledged that enhanced data analysis appears to be a current area of focus for DVA, with additional resources being allocated to address these issues.

DVA actions

DVA continues to further develop its data analysis capabilities. For example, the Priority Investment Approach — Veterans (PIA-V) model, which uses actuarial analysis combined with machine learning to project the spending trajectory of each DVA client for the next 100 years, is a key enabler supporting the achievement of the goals of the *Putting Veterans and their Families First (PVFF) Program*.

Through the use of modelling to accurately forecast financial and service delivery implications of proposed policy or legislative decisions, DVA is focussed on becoming proactive rather than reactive in its service delivery, and preventing rather than treating illness or injury, to optimise veteran wellbeing.

10. Investing in claims teams

The Collie report acknowledged that claims management in DVA is a complex task, and research shows that actions and behaviours of claims staff can have a substantial impact on the experiences and health of clients. It found that investment in DVA claims teams should be a critical component of any future claims model reform, and there is also the opportunity to provide further skills training within the current claims model.

The Collie report considered that DVA has an existing information base which can be used to guide future investment in its claims staff, alongside initiatives to enhance and embed these capabilities.

DVA actions

DVA has reviewed its claims assessor training model and introduced, in early 2019, mandatory face-to-face training for all claims management staff. This training aligns with the quarterly release of internal notifications of new departmental policy. Further to this, in 2018-19, 43 courses covering technical, legislative and systems training were delivered to over 400 participants by external service providers. Relevant staff also completed compensation specific e-learning training courses.

DVA engaged Healthcare Management Advisors (HMA) to review DVA's staff client service training programs. A number of resulting recommendations to improve learning and development deliverables to support a consistent approach to developing client service capability have been implemented. Longer term recommendations, including developing job profiles for service delivery positions, are expected to be completed in 2020.

11. Legislative reform

The Collie report noted that DVA's legislative environment of three Acts with different and overlapping eligibility and requirements adds complexity to DVA claims management systems and processes, which in turn can impact the health and recovery of clients.

The Collie report considered that without reform, this legislative complexity would constrain the potential benefits to veterans which could be realised through other changes and initiatives, such as those to claims management practices. Professor Collie noted that the draft report of the Productivity Commission (PC) inquiry into compensation and rehabilitation for veterans, which had been published at the time Professor Collie was undertaking the independent study, and the DVA submission to the Issues Paper for the PC inquiry, supported the rationale for such reform.

DVA actions

The PC Final Report, [A Better Way to Support Veterans](#), was submitted to Government on 27 June 2019. The Report was tabled in Parliament on 4 July 2019.

In the Report, the PC proposed fundamental reforms across structures, governance, legislation, policy, and service delivery. The PC recommended that the legislative framework for veteran compensation and rehabilitation be simplified with implementation of a 'two scheme' approach by 2025 (Recommendation 19.1). Further to this, the PC recommended harmonisation of the initial liability process across the three veteran support Acts, by applying Statements of Principles to all claims (Recommendation 8.1), and moving to one standard of proof under the *Military Rehabilitation and Compensation Act 2004* (Recommendation 8.4).

The Government is considering its response to the PC Final Report.